Value Representations in Market Making

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By portraying markets and producing shared images (Storbacka & Nenonen, 2011) representational practices have been put forward as central to the organizing of markets (Kjellberg & Helgesson, 2006; 2007).

However, there is still limited evidence on the effects of such efforts.

In this study we focus on representations of value creation processes, or ‘value representations’. They are how each actor represents the process through which value is created in markets.
Several scholars have attended to how actors interpret, frame and represent value has more fact reaching implications than considered until now (Corsaro & Snehota 2010).

Also, value is not a priori embedded in goods or services, but created when customers use such goods or services (Holbrook 1999; Vargo & Lusch 2004; 2008), and is dependent from the social context (Edvardsson et al. 2011).

Focusing on the representations of generating and employing value, representations in the on-going shaping of a market:

• allow us to inquire into how (value) representations may influence the way in which actors engage in market exchanges.

• becomes a way of bridging the gap between cognition-based ideas about value and ideas about value-in-use.

• they may help to better connect foundational premises of S-D logic with empirical evidence about market practice (Brodie et al. 2011).
Aim of the study

RQ: What is the role of value representations in market shaping?

In this study we explore what representational practices and their results ‘do’ as part of a market shaping process. We will also generate insights into how the outcomes of those practices (representations of value) are translated into and thus may come to influence ongoing normalizing and exchange practices.

By doing this, we will capture how multiple (different) representations of value are aligned as part of ongoing practice.
Theoretical Framework

Representational practices

Image(s) of value creation – Value Representations

Normalizing practices

Exchange practices
We study the formation of a new business actor, a distributor, in the ICT Security Industry. Two main actors involved, Sigi (system integrator) and Tio (distributor).

Longitudinal study: during one year and a half, we have interviewed the actors involved in the project (vendors, system integrators, resellers, customer - 22 interviews) and also made direct observations of meetings among the main participants to the project.

To capture the generation and translation of value representations, we traced how actors sought to mediate between matter (things of the material world) and form (statements about value), and how the outcomes of such mediations (the value representations) subsequently were translated into new situations (Latour, 1999).
The ICT Security market: before

- Israeli Vendors
- Distributors: Tio
- System integrators: Sigi
- Resellers
- Value added Reseller
- Other Vendors
- Customers
The ICT Security market: after

Vendors

Distributor: YORAM

Fiduciaria srl
(other face of Sigi)

System integrators: Sigi

Value added Reseller

Resellers

Customers
The solutions

- Firewall & Network Assurance
- Network Access Control
- Access Rights Management
- Business Service Mapping
- File Protection
- Database Security
### Planned practices - Exchange

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<tr>
<th>ACTORS INVOLVED</th>
<th>DESCRIPTION OF THE PRACTICE</th>
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</table>
| Sigi-Tio        | - Hiring People and look for a location for the new distributor  
|                 | - Provide Yoram with their portfolio of relationships with vendors and resellers  
|                 | - Creating new relationships at trade fairs  
|                 | -........... |
| Yoram           | - Scouting new solutions on foreign markets  
|                 | - Vendors’ country managers will collaborate with Yoram to support their technical and commercial solutions’ development  
|                 | -........... |
| ...............  | .................. |
### Planned practices - Normalizing

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| Sigi-Tio        | - Develop rules on how to create offerings to vendors and how to approach them  
|                 | - Develop rules on how to keep secret Sigi’s participation in Yoram  
|                 | -............ |
| Yoram           | - Structuring a system of temporary licensees  
|                 | - Developing contracts with resellers and customers  
<p>|                 | -............ |
| ............... | .................. |</p>
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| Sigi-Tio       | - Buy Market analyses from vendors  
- Create a website and define a logo  
- Develop product demonstrations |
| Yoram          | - Develop best practices and present them at workshops  
- Allow vendors access information in the CRM  
-...... |
| ...........    | ................... |
### Generating symbols

<table>
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<tr>
<th>Value representations</th>
<th>Resulting Practices</th>
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| - “Among 4 solutions in the portfolio only 2 are successful”  
- Israeli vendors vs mixed portfolio | Creating a technical committee |
| Credit management system showed difficulties in getting payments | Assessing possibilities to regulate the exchange |
| Negative Economic results | - Assessing the sources of problems  
- Dialogue |
| Relationships with final customers are not strong enough | - Creating a CRM system |

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<th>Symbols</th>
<th>Further practices</th>
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| Product Portfolio composed only by Israeli vendors | - Workshops  
- Product demonstrations  
- Further development of the portfolio  
- Results on portfolio profitability |
| Temporary Licencing | - Detailed contracts developed  
- Further diffusion to the different areas of security |
| One of the three partners has been ousted from the cooperation | It has been asked to the remaining partner to change his mind set (not anymore acting as consultant, rather than as an entrepreneur) |
| - CRM  
- Best practices | - Periodic assessing of the customer experience  
- Recovering actions |
Value representations influence exchange, normalizing, representational practices. These practices can consolidate into symbols.

When practices consolidate into symbols, the chain of representation reaches a (temporary) end point. This could imply that:

- the symbols travel unchanged across situations; however…
- once employed in specific settings, they can be modified/adjusted.

Symbols supports in managing conflicting representations of the market. By doing these, they becomes boundary objects that coordinate actors’ behaviors.

Practices can also become representations – outcome – when what they do is to represent future practices.
Thank You.

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Tracing representations

Elements of representation

- Form
  - Matter
  - Gap

Chain of elements

Representation

- Objectives: Designing, Selecting
- Study design: Surveying
- Sample: Analysing
- Dataset: Profiling
- Clusters: Targeting
- Customer segments

(Latour 1998)
(Kjellberg & Helgesson 2007)